

# e NEWSLETTER

DECEMBER 2006 / JANUARY 2007

### Health Savings Accounts (HSAs)

The Treasury Department and IRS recently issued new guidelines on the maximum and catch-up contribution levels for Health Savings Accounts (HSAs) and the minimum deductible and maximum out-of-pocket amounts for high-deductible health plans (HDHPs).

Feature	2006	2007
Individual minimum deductible	\$ 1,050	\$ 1,100
Individual maximum out of pocket	\$ 5,250	\$ 5,500
Individual maximum contribution	\$ 2,700	\$ 2,850
Family minimum deductible	\$ 2,100	\$ 2,200
Family maximum out of pocket	\$10,500	\$11,000
Family maximum contribution	\$ 5,450	\$ 5,650
Catch-up contribution (age 55 & over)	\$ 700	\$ 800

### Health Costs Increase

The average cost of a family insurance plan has risen another 7.7% this year to \$11,500. In the past seven years, the cost has doubled and more companies are deciding that they cannot pay for their employees' health insurance.

In 1950, the average individual's medical care cost less than \$100 a year, but today the figure is almost \$6,000. What contributes to the cost increases? New treatments for high blood pressure and cholesterol (which prevent heart attacks), treatments for leukemia, drugs to treat rare diseases, and medical devices which prolong life (such as implantable defibrillators).

### Nursing Home Costs

Nursing home costs are increasing according to MetLife Mature Market Institute. The average cost of a private room in a nursing facility increased from \$203 per day in 2005 to \$206 per day in 2006. It may not seem like a huge increase, however the average annual cost of a nursing home is \$75,190.

The cost of home health care aides was unchanged from 2005, averaging \$19 per hour.

With the costs continuing to increase, it may be time to consider Long-Term Care Insurance. Contact Ohio Benefits & Insurance Group for a quote.



### CobraAid

Small employers can now log onto CobraAid's website to access mandatory COBRA forms. Complete and print any form in under a minute, no training required. This is an exclusive preferred broker arrangement, offered specifically for our customers. Check it out at [www.cobraaid.com](http://www.cobraaid.com)

### Facts:

- 44% of US households do not own life insurance but believe they should.
- The 40% that own life insurance believe they don't have enough. On average, these households feel they have enough to replace their income for 2.8 years but felt they should have enough to cover six years.
- 80% of these consumers don't know how much life insurance to purchase.
- Two-thirds don't know where to buy or who to turn to for help.

SOURCE: LIMRA International



Your representative at Ohio Benefits & Insurance Group can help you establish an appropriate amount of life insurance and provide you with a quotation.

## Happy Holidays!

from all of us at  
Ohio Benefits & Insurance  
Group



**Medical Mutual News!**

Medical Mutual will offer Health Savings Account plans to COSE groups starting in 2007!

Medical Mutual announced a new three year contract with Summa Health System, effective January 2007. Back in June 2004, Summa elected to end it's relationship with Medical Mutual.

This new agreement does not include Robinson Memorial Hospital, as Medical Mutual is negotiating with them separately.

Contact Ohio Benefits & Insurance Group for details.

**SummaCare Announcement!**

Effective September 15, 2006, Lake Hospital System became a part of the SummaCare network of providers. The Lake Hospital System includes the following facilities:

- Lake East Hospital, Painesville
- Lake West Hospital, Willoughby
- Lake Rehabilitation & Wellness Center, Mentor
- Lake Care Home Health, Painesville
- Mentor Medical Campus
- Lake Medical Center, Madison Walk-In Center
- Lake Medical Center, Chardon Medical Campus
- Lake Medical Center, Willowick Walk-In Center
- Lake Medical Center, Tyler Boulevard Walk-In Center



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**State Continuation**

Did you know that groups that are not required to provide COBRA continuation, must provide State Continuation? State Continuation allows employees and their families to take care of essential medical needs should they lose their job. It's available for up to six months and to qualify the employee must meet the following criteria:

- Have been covered continuously by health insurance for three months prior
- Not covered under any other group health insurance plan
- Not eligible for Medicare
- Reside within HMO service area
- Be eligible for unemployment
- Pay the plan's full cost
- Apply and make payment within 31 days of termination
- Still have group policy in force at company

**Medicare Part D**

If you need to apply for Medicare D prescription drug coverage, here are the following rules that apply.

Initial Enrollment: You have a seven month period in which to enroll, the three months prior to your birth month, your birth month, and the three months following your birth month.

Annual Enrollment Period: November 15-December 31, 2006.

Never fear, if you missed the enrollment period, you can still enroll, but you will be assessed a 1% penalty based on the national average.

**CUSTOMER SPOTLIGHT**

LIA Cards & Gifts specializes in creating personalized, customized greeting cards for any industry to help you keep in touch with your clients. We will mail, sign, and send them out for you for less money than you can do it yourself!

"When you remember your clients, they remember you with referrals. When you make your clients feel special, they reward you with loyalty and repeat business." They say that it is five to seven times more expensive to develop a new client than to retain an existing one. Please feel free to call us or email us with any questions. Contact us at 440-877-1549 or email us at Lisa\_hirsch@sbcglobal.net

